

**2013 DRAFTING REQUEST****Bill**

Received: **10/11/2013** Received By: **gmalaise**  
 Wanted: **Today** Same as LRB:  
 For: **Duey Stroebel (608) 267-2369** By/Representing: **John Soper**  
 May Contact: Drafter: **gmalaise**  
 Subject: **Higher Education - financial aid** Addl. Drafters: **mshovers**  
**Tax, Individual - income credit**  
 Extra Copies:

Submit via email: **YES**  
 Requester's email: **rep.stroebel@legis.wisconsin.gov**  
 Carbon copy (CC) to:

**Pre Topic:**

No specific pre topic given

**Topic:**

Academic excellence scholarships; amount of scholarships; number of scholarships to be awarded; eligibility criteria for scholarships

**Instructions:**

See attached

**Drafting History:**

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
/P1	gmalaise 11/22/2013	kfollett 11/20/2013	jfrantze 11/21/2013	_____	sbasford 11/21/2013		State S&L
/P2	gmalaise 12/4/2013	kfollett 12/2/2013	rschluet 12/2/2013	_____	lparisi 12/2/2013		State S&L
/P3	gmalaise 12/19/2013	kfollett 12/7/2013	rschluet 12/9/2013	_____	lparisi 12/9/2013		State S&L

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/P4	gmalaie 1/8/2014	kfollett 12/19/2013	jmurphy 12/19/2013	_____	srose 12/19/2013		State S&L
/1		kfollett 1/8/2014	rschluet 1/8/2014	_____	srose 1/8/2014	srose 1/28/2014	State S&L

FE Sent For:

At  
Intro

<END>

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May Contact:

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Tax, Individual - income credit

Addl. Drafters: mshovers

Extra Copies:

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11/15/13  
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Subject:	<b>Higher Education - financial aid Tax, Individual - income credit</b>	Addl. Drafters:	<b>mshovers</b>

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*1P415f 12/19* *1P415f 12/19* *James 12/19*

FE Sent For:

**<END>**



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 Tax, Individual - income credit Addl. Drafters: mshovers

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1P3/5f  
12/17  
12/17  
<END>  
12/13

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/P1	mshovers 10/31/2013	kfollett 11/20/2013	jfrantze 11/21/2013		sbasford 11/21/2013		State S&L

FE Sent For:

1/P2 MES 11/22/13  
 1/P2/f 12/2  
 12/2  
 <END> 12/13

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Vers. Drafted Reviewed Typed Proofed Submitted Jacketed Required

/P1 gmalaise

/P1 MES 10/31/13

   
 R.S. 11/21  
 J.F.

FE Sent For:

<END>

## Malaise, Gordon

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**From:** Soper, John  
**Sent:** Thursday, October 10, 2013 12:48 PM  
**To:** Malaise, Gordon  
**Subject:** Rep Stroebel AES Drafting  
**Attachments:** Scholarship Annual Report.pdf

Gordon,

I am following up with you on the drafting phone call we had a couple weeks ago about Representative Stroebel's desire to limit the # of and increase the value of the Academic Excellence Scholarships. I have attached the most recent report on the scholarships to give us some numbers. In 2010-2011, 849 freshmen enrolled in a Wisconsin post-secondary institution. Total AES funds going to these students were \$937,492 with an average per freshman award of \$1,104.

For our first draft, Let's set the new allotment criteria as I have listed below.

### CURRENT

<80	10 statewide
80-500	1
501-1000	2
1001-1500	3
1501-2000	4
2001-2500	5
2501+	6

### DRAFT

<500	40 statewide
501-2000	1
2000+	2

The value of the scholarship is equal to 4 years times the lesser of: 1) full tuition of the institution one is attending plus \$500 or 2) the full in state tuition of UW Madison. 2/3 of this value is paid as under current law as direct scholarship money. The last 1/3 is a refundable tax credit received in 5 equal payments over the 5 tax years following graduation provided the student is living and working within the State of Wisconsin. To be eligible for the scholarship a person must have received an ACT score greater than or equal to 30. Representative Stroebel does not wish to effect the Technical Excellence Higher Education Scholarship Program currently proposed by Rep Krug should that bill become law.

I am sure changes will be made later, but this should be enough policy choices to get started on a first draft. Contact me if you have any questions.

John Soper  
Research Assistant  
Office of Rep. Duey Stroebel  
608-267-2370



State of Wisconsin  
2013 - 2014 LEGISLATURE



LRB-3418/P1  
GMM&MES..kf

**PRELIMINARY DRAFT - NOT READY FOR INTRODUCTION**

1     **AN ACT ...; relating to:** the amount of an academic excellence higher education  
2         scholarship, the number of those scholarships that may be awarded in an  
3         academic year, the eligibility criteria for those scholarships, creating an  
4         individual income tax credit for certain academic scholarship recipients, and  
5         making an appropriation.

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***Analysis by the Legislative Reference Bureau***

Under current law, the Higher Educational Aids Board (HEAB) administers the Academic Excellence Higher Education Scholarship Program under which HEAB awards scholarships to certain scholars, designated on the basis of grade point average, who enroll, on a full-time basis, in a public or private institution of higher education in this state. Under the program, an academic excellence higher education scholarship recipient is exempt from up to \$2,250 in tuition and fees for each academic year that the recipient is enrolled full time, maintains at least a 3.000 grade point average, and makes satisfactory progress toward an associate or a bachelor's degree or a vocational diploma.

Currently, those scholarships may be awarded: 1) to the senior with the highest grade point average from each high school in this state enrolling at least 80 but fewer than 500 pupils; 2) to the two seniors with the two highest grade point averages from each high school in this state enrolling at least 500 but fewer than 1,000 pupils; 3) to the three seniors with the three highest grade point averages from each high school in this state enrolling at least 1,000 but fewer than 1,500 pupils; 4) to the four

(WCBVI)  
(WESP044)

seniors with the four highest grade point averages from each high school in this state enrolling at least 1,500 but fewer than 2,000 pupils; 5) to the five seniors with the five highest grade point averages from each high school in this state enrolling at least 2,000 but fewer than 2,500 pupils; and 6) to the six seniors with the six highest grade point averages from each high school in this state enrolling 2,500 or more pupils. In addition, those scholarships may be awarded to the senior with the highest grade point average from the school operated by the Wisconsin Center for the Blind and Visually Impaired, and the school operated by the Wisconsin Educational Services Program for the Deaf and Hard of Hearing and not more than ten scholarships statewide may be awarded to seniors with the highest grade point averages from high schools enrolling fewer than 80 pupils.

This bill increases the amount of an academic excellence higher education scholarship for a scholarship recipient attending a public institution of higher education to 67 percent of the tuition and fees at that institution, plus a cash stipend of \$500 per academic year, and increases the amount of such a scholarship for a scholarship recipient attending a private institution of higher education to 67 percent of the tuition and fees charged a resident undergraduate student at the University of Wisconsin-Madison (UW-Madison), plus a cash stipend of \$500 per academic year.

The bill also creates a refundable individual income tax credit for a scholarship recipient who graduates from an institution within the University of Wisconsin System, a technical college district school, or a private institution of higher education with a bachelor's degree, an associate degree, or vocational diploma and who resides and works in this state.

X The amount for which an individual may claim a credit, which is defined as an "eligible amount" is an amount equal to 33 percent of all tuition and fees charged by the institution or school attended by the scholarship recipient for the years in which the scholarship recipient received an academic excellence higher education scholarship or, in the case of a scholarship recipient who attended a private institution of higher education, an amount equal to 33 percent of the tuition and fees charged a resident undergraduate student at UW-Madison for the years in which the scholarship recipient received an academic excellence higher education scholarship. *one full-time student*

*one full-time* X The credit may be claimed only for the five taxable years following the claimant's graduation, and the claimant may claim only one-fifth of the eligible amount each year. To claim the credit, a claimant must be a full-year resident of this state for the year to which the claim relates, and the claimant must work in this state during that year.

Because the credit is refundable, if the amount of credit for which a claimant is eligible exceeds his or her tax liability, the excess amount of the credit is refunded to the claimant by check.

In addition, the bill reduces the number of academic excellence higher education scholarships that may be awarded in an academic year to one scholarship for each high school with an enrollment of at least 500 pupils but less than 2,000 pupils, to two scholarships for each high school with an enrollment of 2,000 or more

*The bill, however, does not affect the scholarships for schools operated by the WCN or the WESPONH*

pupils, and to not more than 40 scholarships statewide for high schools with enrollments of less than 500 pupils.

Finally, the bill requires a pupil to have a score of at least 30 on the American college test (commonly referred to as the "ACT test") in order to qualify for an academic excellence higher education scholarship.

For further information see the **state and local** fiscal estimate, which will be printed as an appendix to this bill.

***The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:***

**SECTION 1.** 20.835 (2) (cb) of the statutes is created to read:

20.835 (2) (cb) *Academic scholarship tax credit.* A sum sufficient to pay the claims approved under s. 71.07 (5p).

**SECTION 2.** 39.41 (1m) (a) 1. of the statutes is amended to read:

39.41 (1m) (a) 1. For each high school with an enrollment of at least 80 500 pupils but less than 500 2000 pupils, designate the senior with the highest grade point average in all subjects as a scholar and with a score of at least 30 on the American college test as a scholar. If the senior with the highest grade point average in all subjects does not have a score of at least 30 on the American college test, the school board or governing body shall designate the senior with the next highest grade point average in all subjects, but not less than 3.800 or the equivalent, and with a score of at least 30 on the American college test as a scholar.

History: 1989 a. 31; 1991 a. 39, 269, 315; 1993 a. 16, 319, 457; 1995 a. 27; 1997 a. 27, 169, 237; 1999 a. 9; 2001 a. 57; 2005 a. 267; 2009 a. 302, 306; 2011 a. 260.

**SECTION 3.** 39.41 (1) (am) 2. of the statutes is repealed.

**SECTION 4.** 39.41 (1) (am) 3. of the statutes is repealed.

**SECTION 5.** 39.41 (1) (am) 4. of the statutes is repealed.

**SECTION 6.** 39.41 (1m) (a) 5. of the statutes is amended to read:

39.41 (1m) (a) 5. For each high school with an enrollment of 2,000 or more pupils, designate the 5 2 seniors with the 5 2 highest grade point averages in all

✓  
1 subjects and with scores of at least 30 on the American college test as scholars. If any  
2 of the seniors with the highest grade point average in all subjects does not have a  
3 score of at least 30 on the American college test, the school board or governing body  
4 shall designate the senior with the next highest grade point average in all subjects,  
5 but not less than 3.800 or the equivalent, and with a score of at least 30 on the  
6 American college test as a scholar.

History: 1989 a. 31; 1991 a. 39, 269, 315; 1993 a. 16, 399, 457; 1995 a. 27; 1997 a. 27, 109, 237; 1999 a. 9; 2001 a. 57; 2005 a. 267; 2009 a. 302, 306; 2011 a. 260.

7 **SECTION 7.** 39.41 (1) (am) 6. of the statutes is repealed.

8 **SECTION 8.** 39.41 (1m) (b) of the statutes is amended to read:

9 39.41 (1m) (b) Subject to par. (e), by February 25 of each school year, the school  
10 board of each school district operating one or more high schools and the governing  
11 body of each private high school and of each tribal high school may, for each high  
12 school with an enrollment of less than 80 500 pupils, nominate the senior with the  
13 highest grade point average in all subjects and with a score of not less than 30 on the  
14 American college test who may be designated as a scholar by the executive secretary  
15 under par. (c) 3. If the senior with the highest grade point average in all subjects does  
16 not have a score of at least 30 on the American college test, the school board or  
17 governing body shall nominate the senior with the next highest grade point average  
18 in all subjects, but not less than 3.800 or the equivalent, and with a score of at least  
19 30 on the American college test for designation as a scholar.

History: 1989 a. 31; 1991 a. 39, 269, 315; 1993 a. 16, 399, 457; 1995 a. 27; 1997 a. 27, 109, 237; 1999 a. 9; 2001 a. 57; 2005 a. 267; 2009 a. 302, 306; 2011 a. 260.

20 **SECTION 9.** 39.41 (1m) (c) 1. of the statutes is amended to read:

21 39.41 (1m) (c) 1. Subject to par. (f), for the school operated by the Wisconsin  
22 Center for the Blind and Visually Impaired, designate the senior with the highest  
23 grade point average in all subjects and with a score of not less than 30 on the  
24 American college test as a scholar. If the senior with the highest grade point average



✓  
1 in all subjects does not have a score of at least 30 on the American college test, the  
2 executive secretary shall designate the senior with the next highest grade point  
3 average in all subjects, but not less than 3.800 or the equivalent, and with a score of  
4 at least 30 on the American college test as a scholar.

History: 1989 a. 31; 1991 a. 39, 269, 315; 1993 a. 16, 399, 457; 1995 a. 27; 1997 a. 27, 109, 237; 1999 a. 9; 2001 a. 57; 2005 a. 267; 2009 a. 302, 306; 2011 a. 260.

5 **SECTION 10.** 39.41 (1m) (c) 2. of the statutes is amended to read:

6 39.41 (1m) (c) 2. Subject to par. (fm), for the school operated by the Wisconsin  
7 Educational Services Program for the Deaf and Hard of Hearing, designate the  
8 senior with the highest grade point average in all subjects and with a score of not less  
9 than 30 on the American college test as a scholar. If the senior with the highest grade  
10 point average in all subjects does not have a score of at least 30 on the American  
11 college test, the executive secretary shall designate the senior with the next highest  
12 grade point average in all subjects, but not less than 3.800 or the equivalent, and with  
13 a score of at least 30 on the American college test as a scholar.

History: 1989 a. 31; 1991 a. 39, 269, 315; 1993 a. 16, 399, 457; 1995 a. 27; 1997 a. 27, 109, 237; 1999 a. 9; 2001 a. 57; 2005 a. 267; 2009 a. 302, 306; 2011 a. 260.

14 **SECTION 11.** 39.41 (1m) (c) 3. of the statutes is amended to read:

15 39.41 (1m) (c) 3. Designate not more than ~~10~~ 40 seniors nominated under par.  
16 (b) as scholars.

History: 1989 a. 31; 1991 a. 39, 269, 315; 1993 a. 16, 399, 457; 1995 a. 27; 1997 a. 27, 109, 237; 1999 a. 9; 2001 a. 57; 2005 a. 267; 2009 a. 302, 306; 2011 a. 260.

17 **SECTION 12.** 39.41 (1m) (c) 4. of the statutes is amended to read:

18 39.41 (1m) (c) 4. For each public, private, or tribal high school with an  
19 enrollment of at least ~~80~~ 500 pupils, notify the school board of the school district  
20 operating the public high school or the governing body of the private or tribal high  
21 school of the number of scholars to be designated under par. (a).

History: 1989 a. 31; 1991 a. 39, 269, 315; 1993 a. 16, 399, 457; 1995 a. 27; 1997 a. 27, 109, 237; 1999 a. 9; 2001 a. 57; 2005 a. 267; 2009 a. 302, 306; 2011 a. 260.

22 **SECTION 13.** 39.41 (1m) (d) of the statutes is renumbered 39.41 (1m) (d) 1. and

23 amended to read:

1           39.41 (1m) (d) 1. By February 25 of each school year, if 2 or more seniors from  
2           the same high school of at least 80 <sup>✓</sup>500 pupils have the same grade point average and,  
3           except for the limitation on the number of designated scholars, are otherwise eligible  
4           for designation under par. (a), the faculty of the high school shall select the applicable  
5           number of seniors for designation under par. (a) as scholars and shall certify, in order  
6           of priority, any remaining seniors with the same grade point average and with scores  
7           of at least 30 <sup>✓</sup> on the American college test as alternates for the scholars or, if there  
8           is no remaining senior with the same grade point average and with a score of at least  
9           30 <sup>✓</sup> on the American college test, any remaining seniors with the next highest grade  
10          point average, but not less than 3.800 or the equivalent, and with scores of at least  
11          30 <sup>✓</sup> on the American college test as alternates for the scholars.

12          2. If a senior ~~from that high school~~ designated as a scholar under par. (a) does  
13          not qualify for a higher education scholarship under sub. (2) (a) or (3) (a), an alternate  
14          for the scholar from the scholar's high school with the same grade point average as  
15          any senior from that high school designated as a scholar under par. (a) and with a  
16          score of at least 30 <sup>✓</sup> on the American college test shall be eligible for a higher education  
17          scholarship as a scholar under sub. (2) (a) or (3) (a) until the scholarship may be  
18          awarded by the board. If an alternate with the same grade point average as a scholar  
19          under par. (a) and with a score of at least 30 <sup>✓</sup> on the American college test does not  
20          qualify for a higher education scholarship under sub. (2) (a) or (3) (a), an alternate  
21          with the next highest grade point average, but not less than 3.800 or the equivalent,  
22          and with a score of at least 30 <sup>✓</sup> on the American college test shall be eligible for a  
23          higher education scholarship as a scholar under sub. (2) (a) or (3) (a) until the  
24          scholarship may be awarded by the board.

1           **SECTION 14.** 39.41 (1m) (e) of the statutes is ~~renumbered~~<sup>✓</sup> 39.41 (1m) (e) 1. and  
2       amended to read:

3           39.41 (1m) (e) 1. If 2 or more seniors from the same high school of less than 80  
4       <sup>✓</sup>500 pupils have the same grade point average and, except for the limitation of one  
5       nominated senior, are otherwise eligible for nomination under par. (b), the faculty of  
6       the high school shall select the senior who may be nominated by the school board of  
7       the school district operating the public high school or the governing body of the  
8       private or tribal high school for designation under par. (b) ~~(c)~~<sup>✓</sup> 4, as a scholar by the  
9       executive secretary.

10          2. If ~~that~~<sup>✓</sup> a senior is designated as a scholar by the executive secretary, ~~but~~  
11       under par. (c) 4. does not qualify for a higher education scholarship under sub. (2) (a)  
12       or (3) (a), the faculty of the high school shall select, in order of priority, one or more  
13       of the remaining seniors with the same grade point average and with a score of at  
14       <sup>✓</sup>least 30 on the American college test for certification as a scholar or, if there is no  
15       remaining senior with the same grade point average and with a score of at least 30  
16       on the American college test, one or more of the remaining seniors with the next  
17       highest grade point average, but not less than 3.800 or the equivalent, and with a  
18       <sup>✓</sup>score of at least 30 on the American college test for certification as a scholar, and the  
19       school board of the school district operating the high school or the governing body of  
20       the private or tribal high school shall certify to the board one or more of these seniors  
21       as eligible for a higher education scholarship as a scholar under sub. (2) (a) or (3) (a)  
22       until the scholarship may be awarded by the board.

23       History: 1989 a. 31; 1991 a. 39, 269, 315; 1993 a. 16, 399, 457; 1995 a. 27; 1997 a. 27, 109, 237; <sup>✓</sup>1999 a. 9; 2001 a. 57; 2005 a. 267; 2009 a. 302, 306; 2011 a. 260.39

**SECTION 15.** 39.41 (1m) (f) of the statutes is amended to read:

39.41 (1m) (f) If 2 or more seniors from the school operated by the Wisconsin Center for the Blind and Visually Impaired have the same grade point average and, except for the limitation of one designated senior, are otherwise eligible for designation under par. (c) 1., the executive secretary shall make the designation under par. (c) 1. of the senior who may be eligible for a higher education scholarship as a scholar. If that senior does not qualify for a higher education scholarship under sub. (2) (a) or (3) (a), the executive secretary shall designate, in order of priority, one or more of the remaining seniors with the same grade point average and with a score of not less than 30 on the American college test, or, if there is no remaining senior with the same grade point average and with a score of not less than 30 on the American college test, one or more of the remaining seniors with the next highest grade point average, but not less than 3.800 or the equivalent, and with a score of not less than 30 on the American college test as eligible for a higher education scholarship as a scholar under sub. (2) (a) or (3) (a) until the scholarship may be awarded by the board.

History: 1989 a. 31; 1991 a. 39, 269, 315; 1993 a. 16, 399, 457; 1995 a. 27; 1997 a. 27, 109, 237; 1999 a. 9; 2001 a. 57; 2005 a. 267; 2009 a. 302, 306; 2011 a. 260.

**SECTION 16.** 39.41 (1m) (fm) of the statutes is amended to read:

39.41 (1m) (fm) If 2 or more seniors from the school operated by the Wisconsin Educational Services Program for the Deaf and Hard of Hearing have the same grade point average and, except for the limitation of one designated senior, are otherwise eligible for designation under par. (c) 2., the executive secretary shall make the designation under par. (c) 2. of the senior who may be eligible for a higher education scholarship as a scholar. If that senior does not qualify for a higher education scholarship under sub. (2) (a) or (3) (a), the executive secretary shall designate, in order of priority, one or more of the remaining seniors with the same grade point

1 average and with a score of not less than 30 on the American college test, or, if there  
2 is no remaining senior with the same grade point average and with a score of not less  
3 than 30 on the American college test, one or more of the remaining seniors with the  
4 next highest grade point average, but not less than 3.800 or the equivalent, and with  
5 a score of not less than 30 on the American college test as eligible for a higher  
6 education scholarship as a scholar under sub. (2) (a) or (3) (a) until the scholarship  
7 may be awarded by the board.

History: 1989 a. 31; 1991 a. 39, 269, 315; 1993 a. 16, 399, 457; 1995 a. 27; 1997 a. 27, 109, 237; 1999 a. 9; 2001 a. 57; 2005 a. 267; 2009 a. 302, 306; 2011 a. 260.

8 **SECTION 17.** 39.41 (1m) (g) of the statutes is amended to read:

9 39.41 (1m) (g) Notwithstanding par. (a), if a high school of at least 80 500 pupils  
10 closes or merges in the 1991-92 school year or in any school year thereafter, the  
11 school board of the school district operating the high school or the governing body of  
12 the private or tribal high school shall, subject to par. (d), for each of the 2 school years  
13 following the closure or merger, designate the same number of scholars from among  
14 the pupils enrolled in the high school at the time of closure or merger as the number  
15 of scholars designated for that high school in the school year the high school closed  
16 or merged. Any seniors designated under this paragraph shall be eligible for an  
17 original scholarship under this section.

History: 1989 a. 31; 1991 a. 39, 269, 315; 1993 a. 16, 399, 457; 1995 a. 27; 1997 a. 27, 109, 237; 1999 a. 9; 2001 a. 57; 2005 a. 267; 2009 a. 302, 306; 2011 a. 260.

18 **SECTION 18.** 39.41 (1m) (h) of the statutes is repealed.

19 **SECTION 19.** 39.41 (1m) (i) of the statutes is repealed.

20 **SECTION 20.** 39.41 (1m) (j) of the statutes is amended to read:

21 39.41 (1m) (j) ~~In the event that~~ If 2 or more seniors from the same high school  
22 of at least 80 500 pupils have the same grade point average and are otherwise eligible  
23 for designation under par. (a), the school board of the school district operating the

1 high school or the governing body of the private or tribal high school shall make the  
2 designation of the faculty of the high school for purposes of par. (d) ~~or (i)~~. ✓

History: 1989 a. 31; 1991 a. 39, 269, 315; 1993 a. 16, 399, 457; 1995 a. 27; 1997 a. 27, 109, 237; 1999 a. 9; 2001 a. 57; 2005 a. 267; 2009 a. 302, 306; 2011 a. 260.

3 **SECTION 21.** 39.41 (2) (a) of the statutes is amended to read:

4 39.41 (2) (a) If a designated scholar under sub. (1m) is admitted to and enrolls,  
5 on a full-time basis, by September 30 of the academic year immediately following the  
6 school year in which the senior was designated a scholar, in an institution within the  
7 University of Wisconsin System or in a technical college district school that is  
8 participating in the program under this section, the scholar shall receive a higher  
9 education scholarship that exempts the scholar from 67 percent ✓ of all tuition and  
10 fees, including segregated fees, at the institution or district school for one year,  
11 ~~except that the maximum scholarship for a scholar who receives an original~~  
12 ~~scholarship for the 1996-97 academic year or for any academic year thereafter may~~  
13 ~~not exceed \$2,250 per academic year~~ ✓ and the board ✓ shall also pay the scholar a  
14 stipend in the amount of \$500 for that year. ✓

History: 1989 a. 31; 1991 a. 39, 269, 315; 1993 a. 16, 399, 457; 1995 a. 27; 1997 a. 27, 109, 237; 1999 a. 9; 2001 a. 57; 2005 a. 267; 2009 a. 302, 306; 2011 a. 260.

15 **SECTION 22.** 39.41 (2) (b) of the statutes is amended to read:

16 39.41 (2) (b) For each year that a scholar who receives a scholarship under par.  
17 (a) is enrolled full time, maintains at least a 3.000 grade point average, or the  
18 equivalent as determined by the institution or district school, and makes satisfactory  
19 progress toward an associate degree, a bachelor's degree, or a vocational diploma, the  
20 student scholar shall be exempt from 67 percent ✓ of all tuition and fees, including  
21 segregated fees, in the subsequent year or, if the scholar does not enroll in a  
22 participating institution of higher education in the subsequent year, in the 2nd year  
23 following the year in which the scholar received the scholarship, ~~except that the~~  
24 ~~maximum scholarship for a scholar who receives an original scholarship for the~~

1 ~~1996-97 academic year or for any academic year thereafter may not exceed \$2,250~~  
2 ~~per academic year. For each year that a scholar is exempt from tuition and fees as~~  
3 ~~provided in this paragraph, the board shall also pay the scholar a stipend in the~~  
4 ~~amount of \$500.~~ No scholar is eligible for an exemption for more than 4 years in the  
5 University of Wisconsin System or more than 3 years at a district school.

History: 1989 a. 31; 1991 a. 39, 269, 315; 1993 a. 16, 399, 457; 1995 a. 27; 1997 a. 27, 109, 237; 1999 a. 9; 2001 a. 57; 2005 a. 267; 2009 a. 302, 306; 2011 a. 260.

6 **SECTION 23.** 39.41 (2) (c) of the statutes is amended to read:

7 39.41 (2) (c) Subject to sub. (4), for each year ~~the student~~ that a scholar is  
8 exempt from tuition and fees under par. (a) or (b), the board shall pay the institution  
9 or district school, on behalf of the ~~student~~ scholar, an amount equal to 50% 33 1/5  
10 percent of the ~~student's~~ scholar's tuition and fees, ~~except that the maximum payment~~  
11 ~~for a student who receives an original scholarship for the 1996-97 academic year or~~  
12 ~~for any academic year thereafter may not exceed \$1,125 per academic year.~~

History: 1989 a. 31; 1991 a. 39, 269, 315; 1993 a. 16, 399, 457; 1995 a. 27; 1997 a. 27, 109, 237; 1999 a. 9; 2001 a. 57; 2005 a. 267; 2009 a. 302, 306; 2011 a. 260.

13 **SECTION 24.** 39.41 (3) (a) of the statutes is amended to read:

14 39.41 (3) (a) If a designated scholar under sub. (1m) is admitted to and enrolls,  
15 on a full-time basis, by September 30 of the academic year immediately following the  
16 school year in which the senior was designated a scholar, in a private institution of  
17 higher education that is located in this state and participating in the program under  
18 this section, the board shall pay the institution, on behalf of the ~~pupil~~ scholar, an  
19 amount equal to 50% 33 1/5 percent of the tuition and fees charged a resident  
20 undergraduate at the University of Wisconsin-Madison in the same academic year,  
21 ~~except that the maximum payment for a pupil who receives an original scholarship~~  
22 ~~for the 1996-97 academic year or for any academic year thereafter may not exceed~~

1 ~~\$1,125 per academic year~~ and shall pay the scholar a stipend equal to \$500<sup>✓</sup> for that  
2 year.

History: 1989 a. 31; 1991 a. 39, 269, 315; 1993 a. 16, 399, 457; 1995 a. 27; 1997 a. 27, 109, 237; 1999 a. 9; 2001 a. 57; 2005 a. 267; 2009 a. 302, 306; 2011 a. 260.

3 **SECTION 25.** 39.41 (3) (b) of the statutes is amended to read:

4 39.41 (3) (b) For each year that a scholar who receives a scholarship under par.  
5 (a) is enrolled full time, maintains at least a 3.000 grade point average, or the  
6 equivalent as determined by the private institution, and makes satisfactory progress  
7 toward a bachelor's degree, the ~~student~~ scholar is eligible for a higher education  
8 scholarship as determined under par. (a) in the subsequent year or, if the scholar does  
9 not enroll in a participating institution of higher education in the subsequent year,  
10 in the 2nd year following the year in which the scholar received the scholarship. No  
11 scholar is eligible for a higher education scholarship for more than 4 years at a  
12 private institution of higher education.

History: 1989 a. 31; 1991 a. 39, 269, 315; 1993 a. 16, 399, 457; 1995 a. 27; 1997 a. 27, 109, 237; 1999 a. 9; 2001 a. 57; 2005 a. 267; 2009 a. 302, 306; 2011 a. 260.

13 **SECTION 26.** 39.41 (3m) of the statutes is created to read:

14 39.41 (3m) (a) In addition to receiving a scholarship under sub. (2), if the<sup>✓</sup>  
15 scholar graduates from an institution within the University of Wisconsin System or  
16 a technical college district school with a bachelor's degree, an associate degree, or  
17 vocational diploma ~~and if the scholar resides and works in this state for 5 years after~~  
18 ~~graduation~~ <sup>①</sup> ~~the scholar~~ <sup>may claim the</sup> ~~shall be eligible for a refundable tax credit under s. 71.07 (g)~~ <sup>5P.</sup>  
19 ~~in a total amount equal to 33 percent of all tuition and fees, including segregated fees,~~  
20 ~~charged by the institution or school attended by the scholar for the years in which~~  
21 ~~the scholar received a higher education scholarship under this section. That~~  
22 ~~refundable tax credit shall be payable in 5 installments over the 5 tax years following~~  
23 ~~graduation.~~



(b)(a) In addition to receiving a scholarship under sub. (3), if the scholar graduates from a private institution of higher education located in this state with a bachelor's degree, an associate degree, or vocational diploma ~~and if the scholar resides and works in this state for 5 years after graduation~~, the scholar ~~shall be eligible for a refundable tax credit under s. 71.07 (\*) in a total amount equal to 33 percent of the tuition and fees charged a resident undergraduate at the University of Wisconsin-Madison for the years in which the scholar received a higher education scholarship under this section. That refundable tax credit shall be payable in 5 installments over the 5 tax years following graduation.~~ <sup>may claim the 5p</sup>

SECTION 27. 71.07 (5p) of the statutes is created to read:

71.07 (5p) ACADEMIC SCHOLARSHIP TAX CREDIT. (a) *Definitions.* In this subsection:

1. "Claimant" means an individual who files a claim under this subsection, who has received a scholarship under s. 38.41 (2) or (3), and who has graduated from the institution or school with regard to which he or she received the scholarship, as described in s. 39.41 (3m) (a) or (b).

2. "Eligible amount" means 33 percent of all tuition and fees, including segregated fees, that would have been charged to a single full-time student by the institution or school attended by an individual who received a higher education scholarship under s. 38.41 (2) for the years in which the individual received the scholarship under that subsection, or 33 percent of all tuition and fees charged a single full-time resident undergraduate at the University of Wisconsin-Madison for the years in which an individual who received a scholarship under s. 38.41 (3) attended a private institution of higher education located in this state for the years in which the individual received the scholarship under that subsection.

(b) *Filing claims.* Subject to the conditions and limitations provided in this subsection, a claimant may claim as a credit against the tax imposed under s. 71.02 or 71.08 one-fifth of an eligible amount in the taxable year which immediately follows the year in which the individual graduates, as described in s. 39.41 (3m) (a) or (b), and an additional one-fifth of an eligible amount in each of the next four successive taxable years. If the allowable amount of the claim in a taxable year exceeds the income taxes otherwise due on the claimant's income, the amount of the claim not used as an offset against those taxes shall be certified by the department of revenue to the department of administration for payment to the claimant by check, share draft, or other draft drawn from the appropriation account under s. 20.835 (2) (cb).

(c) *Conditions and limitations.* 1. No individual may file a claim under this subsection unless he or she submits to the department with his or her tax return, on a form prepared by the department, information regarding the calculation of that individual's eligible amount.

\*\*\*\*NOTE: Does subd. 1. meet your intent? The instructions did not specify any particular record-keeping requirements or directions as to what information a claimant would have to submit with his or her claim.

2. No individual may file a claim under this subsection unless he or she was a full-year resident of this state in the year to which the claim relates, and he or she worked in this state during the year to which the claim relates.

\*\*\*\*NOTE: Does subd. 2. meet your intent? The instructions did not specify whether a claimant had to work full-time or part-time in this state, or how many hours he or she would have to work to be eligible for the credit.

3. No credit may be allowed under this subsection unless it is claimed within the period specified under s. 71.75 (2).

4. No individual may file a claim under this subsection for any taxable year other than the taxable year that begins immediately after the taxable year in which

1 the claimant graduates from the institution or school with regard to which he or she  
2 received the scholarship, as described in s. 39.41 (3m) (a) or (b), and the next four  
3 successive taxable years.

4 (d) *Administration*. Subsection (5m) (d), as it applies to the credit under that  
5 subsection, applies to the credit under this subsection.

6 **SECTION 28.** 71.08 (1) (intro.) of the statutes is amended to read:

7 71.08 (1) IMPOSITION. (intro.) If the tax imposed on a natural person, married  
8 couple filing jointly, trust, or estate under s. 71.02, not considering the credits under  
9 ss. 71.07 (1), (2dd), (2de), (2di), (2dj), (2dL), (2dr), (2ds), (2dx), (2dy), (3m), (3n), (3p),  
10 (3q), (3r), (3rm), (3rn), (3s), (3t), (3w), (5b), (5d), (5e), (5f), (5h), (5i), (5j), (5p), (6), (6e),  
11 (8r), and (9e), 71.28 (1dd), (1de), (1di), (1dj), (1dL), (1ds), (1dx), (1dy), (2m), (3), (3n),  
12 (3t), and (3w), 71.47 (1dd), (1de), (1di), (1dj), (1dL), (1ds), (1dx), (1dy), (2m), (3), (3n),  
13 (3t), and (3w), 71.57 to 71.61, and 71.613 and subch. VIII and payments to other  
14 states under s. 71.07 (7), is less than the tax under this section, there is imposed on  
15 that natural person, married couple filing jointly, trust or estate, instead of the tax  
16 under s. 71.02, an alternative minimum tax computed as follows:

17 **SECTION 29.** 71.10 (4) (i) of the statutes is amended to read:

18 71.10 (4) (i) The total of claim of right credit under s. 71.07 (1), farmland  
19 preservation credit under ss. 71.57 to 71.61, farmland preservation credit, 2010 and  
20 beyond under s. 71.613, homestead credit under subch. VIII, farmland tax relief  
21 credit under s. 71.07 (3m), dairy manufacturing facility investment credit under s.  
22 71.07 (3p), jobs tax credit under s. 71.07 (3q), meat processing facility investment  
23 credit under s. 71.07 (3r), woody biomass harvesting and processing credit under s.  
24 71.07 (3rm), food processing plant and food warehouse investment credit under s.  
25 71.07 (3rn), film production services credit under s. 71.07 (5f), film production

1 company investment credit under s. 71.07 (5h), medical school loan payment tax  
 2 credit under s. 71.07 (5p), veterans and surviving spouses property tax credit under  
 3 s. 71.07 (6e), enterprise zone jobs credit under s. 71.07 (3w), beginning farmer and  
 4 farm asset owner tax credit under s. 71.07 (8r), earned income tax credit under s.  
 5 71.07 (9e), estimated tax payments under s. 71.09, and taxes withheld under subch.  
 6 X.

### 7 SECTION 30. Initial applicability.

8 (1) ACADEMIC EXCELLENCE HIGHER EDUCATION SCHOLARSHIPS. The treatment of  
 9 ~~sections~~ first applies to students who enroll in an institution within the University  
 10 of Wisconsin System, a technical college district school, or a private institution of  
 11 higher education in the 2015-16 academic year.

12 (2) ACADEMIC SCHOLARSHIP TAX CREDIT. The treatment of section 71.07 (5p) first  
 13 applies to taxable years beginning after December 31, 2016.

14 (END)

Section 39.41 (1m)(a) 1, 2, 3, 4, 5, and 6, (b), (c) 1, 2, 3,  
 and 4, (d), (e), (f), (fm), (g), (h), (i), and (j), (2) (a), (b), and (c),  
 (3) (a) and (b), and (3m) of the statutes

## Malaise, Gordon

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**From:** Soper, John  
**Sent:** Friday, November 22, 2013 1:19 PM  
**To:** Malaise, Gordon; Shovers, Marc  
**Subject:** LRB 3418 P2 drafting instructions

Gordon & Mark,

Thank you for your work on the P1 draft of LRB 3418. I have reviewed the draft and discussed it with Representative Stroebel. After further research and consultation, Rep Stroebel would like to make the following changes below for a P2 draft:

### Gordon

- 1) Remove the \$500 stipend from the award. The monetary value of the award will be the full amount of tuition/fees of the relevant institution but NOT any additional cash.
- 2) Rep Stroebel would like, on top of the 30 ACT score requirement, the GPA requirement to be '3.5'. I understand from the current program administrator that the current 3.8 GPA requirement only applies to certain situations (non-weighted High School alternate candidates), but Rep Stroebel would like the 3.5 GPA requirement and 30 ACT score to apply to all potential recipients, not matter what high school or whether he/she is an alternate. Can you confirm that if a high school possess no graduates that meet these requirements that the scholarship is not awarded for that school that year? If that is not the case, the P2 draft will need language to make it the case.
- 3) After receiving new data on the total number of high schools in the state and their sizes, Rep Stroebel would like to change the distribution formula slightly to reduce the total number available in a more proportionate manner. 70 total at-large scholarships for schools <500 students. 1 scholarship per school for 500-1499. 2 scholarships per school for schools 1500+ students.

### Marc

- 4) Rep Stroebel would like the tax credit changed so it is non-refundable. The credit can only count against taxes owed.
- 5) Marc, In regards to your drafter's notes – the note on the top of page 14 is fine. Recipient should have to show their eligibility. The note between lines 3-4 of page 14 does need addressing. Rep Stroebel would like the credit to apply only if the majority of wages earned in the year were in Wisconsin. This is intended to apply to wages for labor (generally the types of income where one pays payroll taxes) and not passive income. Can this be easily done with a current defined term? If my definition is not sufficiently precise or there are logistical/wording issues please let me know.

Thank you.

John Soper  
Research Assistant  
Office of Rep. Duey Stroebel  
608-267-2370

*Note to file –  
"wages" is defined  
in 26 USC 3121 (a)*

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**From:** Soper, John  
**Sent:** Thursday, October 10, 2013 12:48 PM  
**To:** Malaise, Gordon  
**Subject:** Rep Stroebel AES Drafting

Gordon,

I am following up with you on the drafting phone call we had a couple weeks ago about Representative Stroebel's desire to limit the # of and increase the value of the Academic Excellence Scholarships. I have attached the most recent report on the scholarships to give us some numbers. In 2010-2011, 849 freshmen enrolled in a Wisconsin post-secondary institution. Total AES funds going to these students were \$937,492 with an average per freshman award of \$1,104.

For our first draft, Let's set the new allotment criteria as I have listed below.

**CURRENT**

<80	10 statewide
80-500	1
501-1000	2
1001-1500	3
1501-2000	4
2001-2500	5
2501+	6

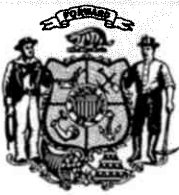
**DRAFT**

<500	40 statewide
501-2000	1
2000+	2

The value of the scholarship is equal to 4 years times the lesser of: 1) full tuition of the institution one is attending plus \$500 or 2) the full in state tuition of UW Madison. 2/3 of this value is paid as under current law as direct scholarship money. The last 1/3 is a refundable tax credit received in 5 equal payments over the 5 tax years following graduation provided the student is living and working within the State of Wisconsin. To be eligible for the scholarship a person must have received an ACT score greater than or equal to 30. Representative Stroebel does not wish to effect the Technical Excellence Higher Education Scholarship Program currently proposed by Rep Krug should that bill become law.

I am sure changes will be made later, but this should be enough policy choices to get started on a first draft. Contact me if you have any questions.

John Soper  
Research Assistant  
Office of Rep. Duey Stroebel  
608-267-2370



State of Wisconsin  
2013 - 2014 LEGISLATURE



LRB-3418/P1  
GMM&MES:kjf:jf

P2  
RMZ

after

PRELIMINARY DRAFT - NOT READY FOR INTRODUCTION

*[Handwritten signature]*

1 AN ACT *to repeal* 39.41 (1m) (a) 2., 39.41 (1m) (a) 3., 39.41 (1m) (a) 4., 39.41 (1m)  
2 (a) 6., 39.41 (1m) (h) and 39.41 (1m) (i); *to renumber and amend* 39.41 (1m)  
3 (d) and 39.41 (1m) (e); *to amend* 39.41 (1m) (a) 1., 39.41 (1m) (a) 5., 39.41 (1m)  
4 (b), 39.41 (1m) (c) 1., 39.41 (1m) (c) 2., 39.41 (1m) (c) 3., 39.41 (1m) (c) 4., 39.41  
5 (1m) (f), 39.41 (1m) (fm), 39.41 (1m) (g), 39.41 (1m) (j), 39.41 (2) (a), 39.41 (2) (b),  
6 39.41 (2) (c), 39.41 (3) (a), 39.41 (3) (b), 71.08 (1) (intro.) and 71.10 (4) (i); and  
7 *to create* 20.835 (2) (cb), 39.41 (3m) and 71.07 (5p) of the statutes; **relating to:**  
8 the amount of an academic excellence higher education scholarship, the  
9 number of those scholarships that may be awarded in an academic year, the  
10 eligibility criteria for those scholarships, creating an individual income tax  
11 credit for certain academic scholarship recipients, and making an  
12 appropriation.

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***Analysis by the Legislative Reference Bureau***

Under current law, the Higher Educational Aids Board (HEAB) administers the Academic Excellence Higher Education Scholarship Program under which

HEAB awards scholarships to certain scholars, designated on the basis of grade point average, who enroll, on a full-time basis, in a public or private institution of higher education in this state. Under the program, an academic excellence higher education scholarship recipient is exempt from up to \$2,250 in tuition and fees for each academic year that the recipient is enrolled full time, maintains at least a 3.000 grade point average, and makes satisfactory progress toward an associate or a bachelor's degree or a vocational diploma.

Currently, those scholarships may be awarded: 1) to the senior with the highest grade point average from each high school in this state enrolling at least 80 but fewer than 500 pupils; 2) to the two seniors with the two highest grade point averages from each high school in this state enrolling at least 500 but fewer than 1,000 pupils; 3) to the three seniors with the three highest grade point averages from each high school in this state enrolling at least 1,000 but fewer than 1,500 pupils; 4) to the four seniors with the four highest grade point averages from each high school in this state enrolling at least 1,500 but fewer than 2,000 pupils; 5) to the five seniors with the five highest grade point averages from each high school in this state enrolling at least 2,000 but fewer than 2,500 pupils; and 6) to the six seniors with the six highest grade point averages from each high school in this state enrolling 2,500 or more pupils. In addition, those scholarships may be awarded to the senior with the highest grade point average from the school operated by the Wisconsin Center for the Blind and Visually Impaired (WCBVI) and the school operated by the Wisconsin Educational Services Program for the Deaf and Hard of Hearing (WESPDHH) and not more than ten scholarships statewide may be awarded to seniors with the highest grade point averages from high schools enrolling fewer than 80 pupils.

This bill increases the amount of an academic excellence higher education scholarship for a scholarship recipient attending a public institution of higher education to 67 percent of the tuition and fees at that institution, ~~plus a cash stipend of \$500 per academic year~~, and increases the amount of such a scholarship for a scholarship recipient attending a private institution of higher education to 67 percent of the tuition and fees charged a resident undergraduate student at the University of Wisconsin-Madison (UW-Madison), ~~plus a cash stipend of \$500 per academic year~~.

The bill also creates a <sup>non refundable</sup> refundable individual income tax credit for a scholarship recipient who graduates from an institution within the University of Wisconsin System, a technical college district school, or a private institution of higher education with a bachelor's degree, an associate degree, or vocational diploma and who resides and works in this state.

The amount for which an individual may claim a credit, which is defined as an "eligible amount," is an amount equal to 33 percent of all tuition and fees charged one full-time student by the institution or school attended by the scholarship recipient for the years in which the scholarship recipient received an academic excellence higher education scholarship or, in the case of a scholarship recipient who attended a private institution of higher education, an amount equal to 33 percent of the tuition and fees charged one full-time resident undergraduate student at UW-Madison for



a grade point average of <sup>at least</sup> ~~not less than~~ 3.500 and

the years in which the scholarship recipient received an academic excellence higher education scholarship.

The credit may be claimed only for the five taxable years following the claimant's graduation, and the claimant may claim only one-fifth of the eligible amount each year. To claim the credit, a claimant must be a full-year resident of this state for the year to which the claim relates, and ~~the claimant must work in this state during that year.~~

Because the credit is <sup>non</sup> refundable, if the amount of credit for which a claimant is eligible exceeds his or her tax liability, <sup>no refund is paid</sup> the excess amount of the credit is refunded <sup>to the claimant by check</sup> <sup>70</sup> <sup>1,500</sup>

In addition, the bill reduces the number of academic excellence higher education scholarships that may be awarded in an academic year to one scholarship for each high school with an enrollment of at least 500 pupils but less than 2,000 pupils, to two scholarships for each high school with an enrollment of 2,000 or more pupils, and to not more than 40 scholarships statewide for high schools with enrollments of less than 500 pupils. The bill, however, does not affect the scholarships for schools operated by the WCBVI or the WESPDHH.

Finally, the bill requires a pupil to have a score of at least 30 on the American college test (commonly referred to as the "ACT test") in order to qualify for an academic excellence higher education scholarship.

For further information see the *state and local* fiscal estimate, which will be printed as an appendix to this bill.

*The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:*

SECTION 1. 20.835 (2) (cb) of the statutes is created to read:

20.835 (2) (cb) *Academic scholarship tax credit.* A sum sufficient to pay the claims approved under s. 71.07 (5p). <sup>1,500</sup> <sup>but not less than 3,500 or the equivalent</sup>

SECTION 2. 39.41 (1m) (a) 1. of the statutes is amended to read:

39.41 (1m) (a) 1. For each high school with an enrollment of at least 80 <sup>500</sup> pupils but less than 500 <sup>2,000</sup> pupils, designate the senior with the highest grade

point average in all subjects <sup>as a scholar</sup> and with a score of at least 30 on the <sup>ACT</sup>

American college test as a scholar. <sup>If the senior with the highest grade point average</sup>

in all subjects does not have a score of at least 30 on the American college test, the

school board or governing body shall designate the senior with the next highest grade

the majority of the wages earned by the claimant in the year to which the claim relates must have been earned in this state

, but not less than 3,500 or the equivalent,

3,500

point average in all subjects, but not less than ~~3,800~~ or the equivalent, and with a score of at least 30 on the American college test as a scholar.

SECTION 3. 39.41 (1m) (a) 2. of the statutes is repealed.

SECTION 4. 39.41 (1m) (a) 3. of the statutes is repealed.

SECTION 5. 39.41 (1m) (a) 4. of the statutes is repealed.

SECTION 6. 39.41 (1m) (a) 5. of the statutes is amended to read:

39.41 (1m) (a) 5. For each high school with an enrollment of ~~2,000~~ or more pupils, designate the ~~5~~ 2 seniors with the ~~5~~ 2 highest grade point averages in all subjects and with scores of at least 30 on the American college test as scholars. If any of the seniors with the highest grade point average in all subjects does not have a score of at least 30 on the American college test, the school board or governing body shall designate the senior with the next highest grade point average in all subjects, but not less than <sup>3,500</sup> ~~3,800~~ or the equivalent, and with a score of at least 30 on the American college test as a scholar.

1,500

, but not less than 3,500 or the equivalent,

SECTION 7. 39.41 (1m) (a) 6. of the statutes is repealed.

SECTION 8. 39.41 (1m) (b) of the statutes is amended to read:

39.41 (1m) (b) Subject to par. (e), by February 25 of each school year, the school board of each school district operating one or more high schools and the governing body of each private high school and of each tribal high school may, for each high school with an enrollment of less than ~~80~~ 500 pupils, nominate the senior with the highest grade point average in all subjects and with a score of not less than 30 on the American college test who may be designated as a scholar by the executive secretary under par. (c) 3. If the senior with the highest grade point average in all subjects does not have a score of at least 30 on the American college test, the school board or governing body shall nominate the senior with the next highest grade point average

in all subjects, but not less than ~~3.800~~ or the equivalent, and with a score of at least 30 on the American college test for designation as a scholar.

SECTION 9. 39.41 (1m) (c) 1. of the statutes is amended to read:

39.41 (1m) (c) 1. Subject to par. (f), for the school operated by the Wisconsin Center for the Blind and Visually Impaired, designate the senior with the highest grade point average in all subjects, and with a score of not less than 30 on the American college test as a scholar. If the senior with the highest grade point average in all subjects does not have a score of at least 30 on the American college test, the executive secretary shall designate the senior with the next highest grade point average in all subjects, but not less than ~~3.800~~ or the equivalent, and with a score of at least 30 on the American college test as a scholar.

SECTION 10. 39.41 (1m) (c) 2. of the statutes is amended to read:

39.41 (1m) (c) 2. Subject to par. (fm), for the school operated by the Wisconsin Educational Services Program for the Deaf and Hard of Hearing, designate the senior with the highest grade point average in all subjects, and with a score of not less than 30 on the American college test as a scholar. If the senior with the highest grade point average in all subjects does not have a score of at least 30 on the American college test, the executive secretary shall designate the senior with the next highest grade point average in all subjects, but not less than ~~3.800~~ or the equivalent, and with a score of at least 30 on the American college test as a scholar.

SECTION 11. 39.41 (1m) (c) 3. of the statutes is amended to read:

39.41 (1m) (c) 3. Designate not more than ~~10~~ 10 seniors nominated under par. (b) as scholars.

SECTION 12. 39.41 (1m) (c) 4. of the statutes is amended to read:

1           39.41 (1m) (c) 4. For each public, private, or tribal high school with an  
2 enrollment of at least ~~80~~ 500 pupils, notify the school board of the school district  
3 operating the public high school or the governing body of the private or tribal high  
4 school of the number of scholars to be designated under par. (a).

5           **SECTION 13.** 39.41 (1m) (d) of the statutes is renumbered <sup>✓</sup>39.41 (1m) (d) 1. and  
6 amended to read:

7           39.41 (1m) (d) 1. By February 25 of each school year, if 2 or more seniors from  
8 the same high school of at least ~~80~~ 500 pupils have the same grade point average and,  
9 except for the limitation on the number of designated scholars, are otherwise eligible  
10 for designation under par. (a), the faculty of the high school shall select the applicable  
11 number of seniors for designation under par. (a) as scholars and shall certify, in order  
12 of priority, any remaining seniors with the same grade point average and with scores  
13 of at least 30 on the American college test as alternates for the scholars or, if there  
14 is no remaining senior with the same grade point average and with a score of at least  
15 30 on the American college test, any remaining seniors with the next highest grade  
16 point average, but not less than ~~3.800~~ <sup>3.500</sup> or the equivalent, and with scores of at least  
17 30 on the American college test as alternates for the scholars.

18           2. If a senior ~~from that high school~~ designated as a scholar under par. (a) does  
19 not qualify for a higher education scholarship under sub. (2) (a) or (3) (a), an alternate  
20 ~~for the scholar~~ from the scholar's high school with the same grade point average as  
21 any senior from that high school designated as a scholar under par. (a) and with a  
22 score of at least 30 on the American college test shall be eligible for a higher education  
23 scholarship as a scholar under sub. (2) (a) or (3) (a) until the scholarship may be  
24 awarded by the board. If an alternate with the same grade point average as a scholar  
25 under par. (a) and with a score of at least 30 on the American college test does not

3.500

1 qualify for a higher education scholarship under sub. (2) (a) or (3) (a), an alternate  
2 with the next highest grade point average, but not less than ~~3.800~~ or the equivalent,  
3 and with a score of at least 30 on the American college test shall be eligible for a  
4 higher education scholarship as a scholar under sub. (2) (a) or (3) (a) until the  
5 scholarship may be awarded by the board.

6 SECTION 14. 39.41 (1m) (e) of the statutes is renumbered 39.41 (1m) (e) 1. and  
7 amended to read:

8 39.41 (1m) (e) 1. If 2 or more seniors from the same high school of less than 80  
9 500 pupils have the same grade point average and, except for the limitation of one  
10 nominated senior, are otherwise eligible for nomination under par. (b), the faculty of  
11 the high school shall select the senior who may be nominated by the school board of  
12 the school district operating the public high school or the governing body of the  
13 private or tribal high school for designation under par. (b) (c) 4. as a scholar by the  
14 executive secretary.

15 2. If ~~that a~~ senior is designated as a scholar by the executive secretary, ~~but~~  
16 under par. (c) 4. does not qualify for a higher education scholarship under sub. (2) (a)  
17 or (3) (a), the faculty of the high school shall select, in order of priority, one or more  
18 of the remaining seniors with the same grade point average and with a score of at  
19 least 30 on the American college test for certification as a scholar or, if there is no  
20 remaining senior with the same grade point average and with a score of at least 30  
21 on the American college test, one or more of the remaining seniors with the next  
22 highest grade point average, but not less than 3.500 or the equivalent, and with a  
23 score of at least 30 on the American college test for certification as a scholar, and the  
24 school board of the school district operating the high school or the governing body of  
25 the private or tribal high school shall certify to the board one or more of these seniors

1 as eligible for a higher education scholarship as a scholar under sub. (2) (a) or (3) (a)  
2 until the scholarship may be awarded by the board.

3 **SECTION 15.** 39.41 (1m) (f) of the statutes is amended to read: ✓

4 39.41 (1m) (f) If 2 or more seniors from the school operated by the Wisconsin  
5 Center for the Blind and Visually Impaired have the same grade point average and,  
6 except for the limitation of one designated senior, are otherwise eligible for  
7 designation under par. (c) 1., the executive secretary shall make the designation  
8 under par. (c) 1. of the senior who may be eligible for a higher education scholarship  
9 as a scholar. If that senior does not qualify for a higher education scholarship under  
10 sub. (2) (a) or (3) (a), the executive secretary shall designate, in order of priority, one  
11 or more of the remaining seniors with the same grade point average and with a score  
12 of not less than 30 on the American college test, or, if there is no remaining senior  
13 with the same grade point average and with a score of not less than 30 on the  
14 American college test, one or more of the remaining seniors with the next highest  
15 grade point average, but not less than 3.50 ✓ or the equivalent, and with a score of not  
16 less than 30 on the American college test as eligible for a higher education  
17 scholarship as a scholar under sub. (2) (a) or (3) (a) until the scholarship may be  
18 awarded by the board.

19 **SECTION 16.** 39.41 (1m) (fm) of the statutes is amended to read: ✓

20 39.41 (1m) (fm) If 2 or more seniors from the school operated by the Wisconsin  
21 Educational Services Program for the Deaf and Hard of Hearing have the same grade  
22 point average and, except for the limitation of one designated senior, are otherwise  
23 eligible for designation under par. (c) 2., the executive secretary shall make the  
24 designation under par. (c) 2. of the senior who may be eligible for a higher education  
25 scholarship as a scholar. If that senior does not qualify for a higher education

1 scholarship under sub. (2) (a) or (3) (a), the executive secretary shall designate, in  
2 order of priority, one or more of the remaining seniors with the same grade point  
3 average and with a score of not less than 30 on the American college test, or, if there  
4 is no remaining senior with the same grade point average and with a score of not less  
5 than 30 on the American college test, one or more of the remaining seniors with the  
6 next highest grade point average, but not less than ~~3.800~~ <sup>3.500</sup> or the equivalent, and with  
7 a score of not less than 30 on the American college test as eligible for a higher  
8 education scholarship as a scholar under sub. (2) (a) or (3) (a) until the scholarship  
9 may be awarded by the board.

10 **SECTION 17.** 39.41 (1m) (g) of the statutes is amended to read:

11 39.41 (1m) (g) Notwithstanding par. (a), if a high school of at least ~~80~~ 500 pupils  
12 closes or merges in the 1991-92 school year or in any school year thereafter, the  
13 school board of the school district operating the high school or the governing body of  
14 the private or tribal high school shall, subject to par. (d), for each of the 2 school years  
15 following the closure or merger, designate the same number of scholars from among  
16 the pupils enrolled in the high school at the time of closure or merger as the number  
17 of scholars designated for that high school in the school year the high school closed  
18 or merged. Any seniors designated under this paragraph shall be eligible for an  
19 original scholarship under this section.

20 **SECTION 18.** 39.41 (1m) (h) of the statutes is repealed.

21 **SECTION 19.** 39.41 (1m) (i) of the statutes is repealed.

22 **SECTION 20.** 39.41 (1m) (j) of the statutes is amended to read:

23 39.41 (1m) (j) ~~In the event that~~ If 2 or more seniors from the same high school  
24 of at least ~~80~~ 500 pupils have the same grade point average and are otherwise eligible  
25 for designation under par. (a), the school board of the school district operating the

1 high school or the governing body of the private or tribal high school shall make the  
2 designation of the faculty of the high school for purposes of par. (d) ~~or (i)~~.

3 **SECTION 21.** 39.41 (2) (a) of the statutes is amended to read:

4 39.41 (2) (a) If a designated scholar under sub. (1m) is admitted to and enrolls,  
5 on a full-time basis, by September 30 of the academic year immediately following the  
6 school year in which the senior was designated a scholar, in an institution within the  
7 University of Wisconsin System or in a technical college district school that is  
8 participating in the program under this section, the scholar shall receive a higher  
9 education scholarship that exempts the scholar from 67 percent of all tuition and  
10 fees, including segregated fees, at the institution or district school for one year,  
11 ~~except that the maximum scholarship for a scholar who receives an original~~  
12 ~~scholarship for the 1996-97 academic year or for any academic year thereafter may~~  
13 ~~not exceed \$2,250 per academic year and the board shall also pay the scholar a~~  
14 ~~stipend in the amount of \$500 for that year.~~

15 **SECTION 22.** 39.41 (2) (b) of the statutes is amended to read:

16 39.41 (2) (b) For each year that a scholar who receives a scholarship under par.  
17 (a) is enrolled full time, maintains at least a 3.000 grade point average, or the  
18 equivalent as determined by the institution or district school, and makes satisfactory  
19 progress toward an associate degree, a bachelor's degree, or a vocational diploma, the  
20 ~~student~~ scholar shall be exempt from 67 percent of all tuition and fees, including  
21 segregated fees, in the subsequent year or, if the scholar does not enroll in a  
22 participating institution of higher education in the subsequent year, in the 2nd year  
23 following the year in which the scholar received the scholarship, ~~except that the~~  
24 ~~maximum scholarship for a scholar who receives an original scholarship for the~~  
25 ~~1996-97 academic year or for any academic year thereafter may not exceed \$2,250~~



1 ~~per academic year. For each year that a scholar is exempt from tuition and fees as~~  
2 ~~provided in this paragraph, the board shall also pay the scholar a stipend in the~~  
3 ~~amount of \$500.~~ No scholar is eligible for an exemption for more than 4 years in the  
4 University of Wisconsin System or more than 3 years at a district school.

5 **SECTION 23.** 39.41 (2) (c) of the statutes is amended to read: ✓

6 39.41 (2) (c) Subject to sub. (4), for each year ~~the student~~ that a scholar is  
7 exempt from tuition and fees under par. (a) or (b), the board shall pay the institution  
8 or district school, on behalf of the ~~student~~ scholar, an amount equal to ~~50%~~ 33 percent  
9 of the ~~student's~~ scholar's tuition and fees, ~~except that the maximum payment for a~~  
10 ~~student who receives an original scholarship for the 1996-97 academic year or for~~  
11 ~~any academic year thereafter may not exceed \$1,125 per academic year.~~

12 **SECTION 24.** 39.41 (3) (a) of the statutes is amended to read: ✓

13 39.41 (3) (a) If a designated scholar under sub. (1m) is admitted to and enrolls,  
14 on a full-time basis, by September 30 of the academic year immediately following the  
15 school year in which the senior was designated a scholar, in a private institution of  
16 higher education that is located in this state and participating in the program under  
17 this section, the board shall pay the institution, on behalf of the ~~pupil~~ scholar, an  
18 amount equal to ~~50%~~ 33 percent of the tuition and fees charged a resident  
19 undergraduate at the University of Wisconsin-Madison in the same academic year,  
20 ~~except that the maximum payment for a pupil who receives an original scholarship~~  
21 ~~for the 1996-97 academic year or for any academic year thereafter may not exceed~~  
22 ~~\$1,125 per academic year and shall pay the scholar a stipend equal to \$500 for that~~  
23 ~~year.~~ ✓

24 **SECTION 25.** 39.41 (3) (b) of the statutes is amended to read: ✓

1           39.41 (3) (b) For each year that a scholar who receives a scholarship under par.  
2           (a) is enrolled full time, maintains at least a 3.000 grade point average, or the  
3           equivalent as determined by the private institution, and makes satisfactory progress  
4           toward a bachelor's degree, the ~~student~~ scholar is eligible for a higher education  
5           scholarship as determined under par. (a) in the subsequent year or, if the scholar does  
6           not enroll in a participating institution of higher education in the subsequent year,  
7           in the 2nd year following the year in which the scholar received the scholarship. No  
8           scholar is eligible for a higher education scholarship for more than 4 years at a  
9           private institution of higher education.

10           SECTION 26. 39.41 (3m) of the statutes is created to read:

11           39.41 (3m) (a) In addition to receiving a scholarship under sub. (2), if the  
12           scholar graduates from an institution within the University of Wisconsin System or  
13           a technical college district school with a bachelor's degree, an associate degree, or  
14           vocational diploma, the scholar may claim the credit under s. 71.07 (5p).

15           (b) In addition to receiving a scholarship under sub. (3), if the scholar graduates  
16           from a private institution of higher education located in this state with a bachelor's  
17           degree, an associate degree, or vocational diploma, the scholar may claim the credit  
18           under s. 71.07 (5p).

19           SECTION 27. 71.07 (5p) of the statutes is created to read:

20           71.07 (5p) ACADEMIC SCHOLARSHIP TAX CREDIT. (a) *Definitions.* In this  
21           subsection:

22           1. "Claimant" means an individual who files a claim under this subsection, who  
23           has received a scholarship under s. 39.41 (2) or (3), and who has graduated from the  
24           institution or school with regard to which he or she received the scholarship, as  
25           described in s. 39.41 (3m) (a) or (b).

1           2. "Eligible amount" means 33 percent of all tuition and fees, including  
2 segregated fees, that would have been charged to a single full-time student by the  
3 institution or school attended by an individual who received a higher education  
4 scholarship under s. 39.41 (2) for the years in which the individual received the  
5 scholarship under that subsection, or 33 percent of all tuition and fees charged a  
6 single full-time resident undergraduate at the University of Wisconsin-Madison for  
7 the years in which an individual who received a scholarship under s. 39.41 (3)  
8 attended a private institution of higher education located in this state for the years  
9 in which the individual received the scholarship under that subsection.

10           (b) *Filing claims.* Subject to the conditions and limitations provided in this  
11 subsection, a claimant may claim as a credit against the tax imposed under s. 71.02  
12 ~~or 71.08~~ <sup>up to the amount of those taxes</sup> one-fifth of an eligible amount in the taxable year which immediately  
13 follows the year in which the individual graduates, as described in s. 39.41 (3m) (a)  
14 or (b), and an additional one-fifth of an eligible amount in each of the next 4  
15 successive taxable years. ~~If the allowable amount of the claim in a taxable year~~  
16 ~~exceeds the income taxes otherwise due on the claimant's income, the amount of the~~  
17 ~~claim not used as an offset against those taxes shall be certified by the department~~  
18 ~~of revenue to the department of administration for payment to the claimant by check,~~  
19 ~~share draft, or other draft drawn from the appropriation account under s. 20.835 (2)~~  
20 (cb).

21           (c) *Conditions and limitations.* 1. No individual may file a claim under this  
22 subsection unless he or she submits to the department with his or her tax return, on  
23 a form prepared by the department, information regarding the calculation of that  
24 individual's eligible amount.

\*\*\*NOTE: Does subd. 1. meet your intent? The instructions did not specify any particular record-keeping requirements or directions as to what information a claimant would have to submit with his or her claim.

1           2. No individual may file a claim under this subsection unless he or she was a  
2 full-year resident of this state in the year to which the claim relates, and he or she  
3 ~~worked in this state~~ <sup>earned</sup> during the year to which the claim relates <sup>the majority</sup> ~~of~~ <sup>were earned in this state</sup>

\*\*\*\*NOTE: Does subd. 2. meet your intent? The instructions did not specify whether a claimant had to work full-time or part-time in this state, or how many hours he or she would have to work to be eligible for the credit.

4           3. No credit may be allowed under this subsection unless it is claimed within  
5 the period specified under s. 71.75 (2).

6           4. No individual may file a claim under this subsection for any taxable year  
7 other than the taxable year that begins immediately after the taxable year in which  
8 the claimant graduates from the institution or school with regard to which he or she  
9 received the scholarship, as described in s. 39.41 (3m) (a) or (b), and the next 4  
10 successive taxable years.

11           (d) *Administration.* Subsection (5m) (d), as it applies to the credit under that  
12 subsection, applies to the credit under this subsection.

13           ~~SECTION 28. 71.08 (1) (intro.) of the statutes is amended to read:~~

14           ~~71.08 (1) IMPOSITION. (intro.) If the tax imposed on a natural person, married~~  
15 ~~couple filing jointly, trust, or estate under s. 71.02, not considering the credits under~~  
16 ~~ss. 71.07 (1), (2dd), (2de), (2di), (2dj), (2dL), (2dr), (2ds), (2dx), (2dy), (3m), (3n), (3p),~~  
17 ~~(3q), (3r), (3rm), (3rn), (3s), (3t), (3w), (5b), (5d), (5e), (5f), (5h), (5i), (5j), (5p), (6), (6e),~~  
18 ~~(8r), and (9e), 71.28 (1dd), (1de), (1di), (1dj), (1dL), (1ds), (1dx), (1dy), (2m), (3), (3n),~~  
19 ~~(3t), and (3w), 71.47 (1dd), (1de), (1di), (1dj), (1dL), (1ds), (1dx), (1dy), (2m), (3), (3n),~~  
20 ~~(3t), and (3w), 71.57 to 71.61, and 71.613 and subch. VIII and payments to other~~  
21 ~~states under s. 71.07 (7), is less than the tax under this section, there is imposed on~~

that natural person, married couple filing jointly, trust or estate, instead of the tax under s. 71.02, an alternative minimum tax computed as follows:

*change component*  
**SECTION 29.** 71.10 (4) <sup>(cs)</sup> of the statutes is ~~amended~~ <sup>created</sup> to read:

71.10 (4) <sup>cs</sup> ~~The total of claim of right credit under s. 71.07 (1), farmland preservation credit under ss. 71.57 to 71.61, farmland preservation credit, 2010 and beyond under s. 71.613, homestead credit under subch. VIII, farmland tax relief credit under s. 71.07 (3m), dairy manufacturing facility investment credit under s. 71.07 (3p), jobs tax credit under s. 71.07 (3q), meat processing facility investment credit under s. 71.07 (3r), woody biomass harvesting and processing credit under s. 71.07 (3rm), food processing plant and food warehouse investment credit under s. 71.07 (3rn), film production services credit under s. 71.07 (5f), film production company investment credit under s. 71.07 (5h), medical school loan payment tax credit under s. 71.07 (5p), veterans and surviving spouses property tax credit under s. 71.07 (6e), enterprise zone jobs credit under s. 71.07 (3w), beginning farmer and farm asset owner tax credit under s. 71.07 (8r), earned income tax credit under s. 71.07 (9e), estimated tax payments under s. 71.09, and taxes withheld under subch.~~

X.

### **SECTION 30. Initial applicability.**

(1) ACADEMIC EXCELLENCE HIGHER EDUCATION SCHOLARSHIPS. The treatment of section 39.41 (1m) (a) 1., 2., 3., 4., 5., and 6., (b), (c) 1., 2., 3., and 4., (d), (e), (f), (fm), (g), (h), (i), and (j), (2) (a), (b), and (c), (3) (a) and (b), and (3m) of the statutes first applies to students who enroll in an institution within the University of Wisconsin System, a technical college district school, or a private institution of higher education in the 2015-16 academic year.

1           (2) ACADEMIC SCHOLARSHIP TAX CREDIT. The treatment of section 71.07 (5p) first  
2       applies to taxable years beginning after December 31, 2016.

**3 (END)**

## **Malaise, Gordon**

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**From:** Soper, John  
**Sent:** Wednesday, December 04, 2013 1:05 PM  
**To:** Malaise, Gordon; Shovers, Marc  
**Subject:** LRB 3418 P3 drafting instructions

Gordon & Marc,

Thank you for the quick turnaround on the several changes Rep. Stroebel requested in the p2 draft. I have a single change to request for a P3 draft.

Rep. Stroebel would like to exclude the schools for the deaf and blind (Sections 8 & 9) from the new GPA & ACT requirements set forth in this bill.

Thank you.

John Soper  
Research Assistant  
Office of Rep. Duey Stroebel  
608-267-2370